

1 SENATE JOINT RESOLUTION NO. 31

2 INTRODUCED BY CURTISS, BALES, D. BROWN, EVERETT, GALLUS, HEINERT, HENDRICK,
3 HIMMELBERGER, JACKSON, W. JONES, LEWIS, O'NEIL, PERRY, SONJU, TASH, MAEDJE, BARKUS,
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6 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
7 MONTANA URGING THAT PROPOSALS TO TRANSITION THE BONNEVILLE POWER ADMINISTRATION
8 FROM COST-BASED RATES TO MARKET-BASED RATES AND ACCELERATE THE BONNEVILLE POWER
9 ADMINISTRATION'S DEBT REPAYMENT TO THE UNITED STATES TREASURY, AS EXPRESSED IN THE
10 PRESIDENT'S FISCAL YEAR 2006 PROPOSED BUDGET, BE REJECTED.

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12 WHEREAS, the Bonneville Power Administration supplies over 25% of the electrical power consumed
13 in the State of Montana; and

14 WHEREAS, currently and since its creation, the rates established for this power have been based upon
15 recovery of costs; and

16 WHEREAS, the Pacific Northwest Region has experienced a nearly 50% increase in wholesale power
17 rates since the energy crisis of 2001-2002; and

18 WHEREAS, the President's proposed fiscal year 2006 budget would transition the Bonneville Power
19 Administration from cost-based rates to market-based rates; and

20 WHEREAS, the Office of Management and Budget has estimated that this change would result in an
21 estimated increase of \$100 a year for each ratepayer in the Pacific Northwest; and

22 WHEREAS, the Northwest Power and Conservation Council has found that this change would cause
23 the Bonneville Power Administration's power rates to increase by 65%; and

24 WHEREAS, the Northwest Power and Conservation Council has found that this budget proposal would
25 cost the ratepayers of the Pacific Northwest Region about \$1.33 billion over 3 years and would result in a more
26 than \$300 million decrease in state and federal personal income tax receipts; and

27 WHEREAS, the argument to justify these increased rates, that the ratepayers of the Pacific Northwest
28 are being subsidized by the federal government, is not well-founded in light of the fact that all of the Bonneville
29 Power Administration's costs, including repayment of debt at market-based interest rates to the United States
30 Treasury, are recovered from ratepayers, primarily individuals and businesses in the Pacific Northwest; and

1 WHEREAS, the argument to justify these increased rates, that of accelerating the Bonneville Power
2 Administration's debt repayment to the United States Treasury, is not well-founded in light of the Bonneville
3 Power Administration's success in recent years of early repayment of its debt, despite the sale of power at-cost
4 and during difficult economic times; and

5 WHEREAS, this proposal, if enacted, would essentially result in a 100% increase in power rates over
6 a 7-year period, which will severely harm the region's businesses and industries, as well as all the residents of
7 the region; and

8 WHEREAS, the President's additional budget proposal to increase the types of transactions that would
9 count against the Bonneville Power Administration's authorized debt limit would negatively impact the Bonneville
10 Power Administration's ability to upgrade existing infrastructure or build new vital infrastructure; and

11 WHEREAS, this proposal would lead to further limiting investment in an already constrained
12 transmission system, which could result in electricity shortages and decreased reliability.

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14 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
15 THE STATE OF MONTANA:

16 (1) That the proposal to transition the Bonneville Power Administration from cost-based rates to
17 market-based rates, as expressed in the President's fiscal year 2006 proposed budget, be rejected.

18 (2) That the proposal to include additional transactions in the Bonneville Power Administration's
19 authorized debt limit be rejected.

20 (3) That the Secretary of State send copies of this resolution to the Honorable George W. Bush,
21 President of the United States, the President of the United States Senate, the Speaker of the House of
22 Representatives, the Montana Congressional Delegation, and the Secretary of the United States Department
23 of Energy, Samuel W. Bodman.

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